

THE INTERNATIONAL DRUG COMPLEX

Criminal forces in collusion with established elites have put the drug industry on a truly transnational footing, while increasing their power over individuals, societies and economies.

Part 2 of 2

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THE POLITICAL ECONOMY OF DRUG LAW ENFORCEMENT

The growth of the drug industry and concomitant real or perceived threats to states' authority gave an important impulse to the development of law and the organisation of crime control. Since the beginning of the 20th century, starting with the Shanghai Conference in 1909, step by step a global prohibition regime was created, sanctioning the production, dealing and trafficking of psychotropic substances.⁸ Almost every country in the world, by ratifying international treaties, obliged itself to adapt its national laws in accordance with these treaties and thereby to suppress the now illegal drug business.

The responsibility for control and furthering the design of the regime came to fall on the United Nations in 1946.⁹ This regime is still under construction, targeting new drugs and expanding its organisational structure. It encompasses multinational organisations, state bureaucracies, banks, medical institutions and morality. Thereby an unprecedented regulatory framework is established, comparable to the non-proliferation regime for nuclear weaponry. In the evolution of this international regime, individual states attained a high degree of worldwide uniformity and mutual tuning in the regulation of one category of intoxicating, mind-bending substances (Gerritsen, 1993:75).

There exists a formal global prohibition regime, but, to date, there is no global criminal justice system to meet the challenge of drug trafficking and globalised crime. Although formal regime control and design are with the United Nations, execution and dedication of control efforts are in the hand of governments and state agencies of individual nation-states. In spite of formal compliance to the predispositions of the prohibition regime, in practice the strategies and tactics for its enforcement are broadly disputed.

Historically, the conception of the 'drug problem' has been subject to dramatic transformations. Fiscal, balance of payments, civic security, public health, social welfare and moral considerations can be found as determining the main diagnosis of the problem. Within and between societies, the conception of the problem and the discourses guiding government intervention in the drug industry vary widely, over time and in geographic space. The multi-dimensionality of the drug problem makes it a very complex policy field. With prohibition in place, repression is still no panacea.

It was only after their dependencies gained independence that the major European powers dissolved their colonial monopolies on the opium trade. Prohibition also met with fierce resistance from the pharmaceutical industries in Germany, Japan and Switzerland. These were often shielded by state interests in the preparation for war, in which the secured supply of anaesthetics plays an important role. Coaxing governments into compliance with prohibition has been, and still is, an arduous process.

From the beginning, it has been the United States that has taken the lead in building the prohibition regime. Especially since the 1980s, unilateral, bilateral and multilateral forms of pressure, intervention and collaboration have been proliferating to force governments to comply with prohibition and to stifle the growth of the drug economy. Conditional development aid, extradition treaties (so-called International Mutual Legal Assistance Treaties), new types of financial policing to 'chase the money' around the international banking system, financing and advising foreign military and police, political pressure and even outright military intervention count among the plethora of instruments applied in the relations between states in this War on Drugs. In the process, institutional structures (e.g., Interpol, Europol, UNDCP) are strengthened to intensify international cooperation.

Besides that, many informal structures have developed between police, military and

intelligence agencies (see Anderson *et al.*, 1995; Anderson and den Boer, 1994; Benyon *et al.*, 1994, Fijnout, 1993; Marshall, 1991). Many of these are not new. Before the end of the Cold War, countries like France and the United States had extensive programs for the assistance of foreign military and police forces (Fijnout, 1993; Marshall, 1991). Nowadays, however, such programs are legitimised by the supposed need to strengthen other states' capabilities to fight the drug industry. Since the mid-1980s, through the process of European integration, the European Union also has been asserting itself as a major player in the field.

The internationalising powers to enforce the prohibition regime are largely legitimised and rationalised by interdependencies that derive from the global division of labour in the illegal drug industry and the concomitant problems this presents to individual states to control the drug industry. But forthcoming interdependency does not necessarily mean greater integration (collaboration and harmonisation). Interdependency can possibly also mean "dependency", "exploitation", "free riding" and "conflict" (Bühl, 1995:123).

International law-enforcement instruments are unevenly distributed and include the exchange of information between law enforcers, international pressures on countries to shape their legislative body (for example, with the closure of coffee shops and the lifting of bank secrecy), the provision of military aid and advisers (an important element of the American efforts in Latin America), or the extension of 'intelligence'-gathering by liaison officers stationed in foreign countries. The control over these instruments ultimately touches on the control that countries have over their economies and political system, and on the control people have over their privacy and sovereignty.

POWER & SOCIAL CONTROL

The strategies and tactics applied by governments in their drug policies not only touch upon very different conceptions of 'the drug problem', but they also affect the distribution of income within and between societies and the level of protection that citizens can attain.

Interventions in drug markets influence the direction, composition and volume of drug streams around the world and of the flows of money that are generated in this international business. They thereby touch upon the distribution of wealth that can be accumulated in the drug business and the relative power of players within and between societies.

Drug interests are strong enough to create powers that can play a major role in political life and economic activities. Where many people depend on the drug industry for their income, and where the overall economy is dependent on the influx of foreign currencies from the drug trade, such drug interests—and concrete efforts of drug entrepreneurs to protect their trade—severely limit the margins for governments to deal with the drug industry. Moreover, enhanced drug repression also strengthens coercive and other powers within state apparatuses relative to each other and the society at large.

Drug policies therefore also have an impact on the distribution of power and security in and between countries. On the one hand, they can limit the destabilising effect of the drug industry on society. On the other hand, enhancing the resources and legal powers

of a state's security forces can also limit the sovereignty of individuals, peoples and countries, and hence the level of freedom, democracy and human rights they can enjoy.

Drug repression thus also attains an important political dimension. From the perspective of the ruling elites, it is of concern to prevent power-contending ethnic, political or clan associations from using the drug proceeds for building their own power structures. In such a situation, they may have little choice but to gain control over the business themselves, or at least find a way of incorporating such new, dynamic sectors into the existing power structure. In many cases, drug repression would only strengthen the opposition as it would leave a good share of the population without means of support.

Domestic and foreign drug policies thus touch upon the distribution of power, wealth and security, both within a country and between societies. These interests are informing, if not imposing, a specific logic on many a state's policies and practices, and they lead to systemic interactions between the upperworld and the underworld, that play a decisive role in deepening their perverse impact on the relations among states and between states and their societies. The phenomenon of "protected trafficking" here enters the picture (Scott and Marshall, 1991:vii), where the selective suppression and protection of the drug industry becomes a more likely outcome of drug policies.

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LINKS BETWEEN ORGANISED CRIME & THE POWER ELITE

Criminal groups (and criminally obtained resources) are often a deviant element in the national and international dynamics of politics. The illegitimate use of violence and 'authorised' force to serve the purpose of one class, clan, ethnic group, region or country against the other is no new phenomenon. However, it is strongly related to the dynamics and consequences of the growth of drug markets and the state policies implemented to control them. In many countries, it is exactly the association of criminal groups

with power elites that produces and prolongs such perverse consequences (Hess, 1986:128).

In the recent history of both industrialised countries (e.g., France, the United States and Italy) and developing countries (e.g., Turkey, South Africa, Colombia, Mexico), many examples can be found of cooperation between secret services, political parties and other elite power groups with drug-trafficking criminal groups in the repression of domestic opposition, the destabilisation of foreign governments and the support against (geo)political foes (see, for example, Block and Hess, 1986; Krüger, 1980; McCoy, 1972; Scott and Marshall, 1991). Equally, many opposition groups have discovered how important drug income can be to withstand (foreign) control over their territories (e.g., the PKK in Turkey, the Shining Path in Peru, and the Afghan Mujahedin).

Such symbiotic relations between drug entrepreneurs and local, national or foreign power elites are often amended by forms of corruption of a more or less institutional nature. The price-increase effect of prohibition works effectively as a tax which does not flow straight into the coffers of the state treasury, however, but is collected by the producers, traffickers and other service providers in the trade. In many countries, though, a prohibition tax is equally levied by 'corrupt' enforcement officers and other protectors of the trade within the politico-administrative system.

However, such state-induced extortion or bribing of the trade is not only an activity for private gain (supplementing salaries). In fact, various systems exist that provide for the distribution of such rents within hierarchical networks through which such money flows. In return, they facilitate exchange in prohibited markets.

Bribery can be a primary method of public finance, alongside taxation, borrowing and inflation (Thornton, 1991:137). From that perspective, it should be less of a surprise to find police officials actively involved in the management and maintenance of the black-market monopolies. Through their relations with drug entrepreneurs, police officers and other state protectors become responsive to the monopolist. This may lead them to act against new entrants or third parties in the pursuit of maintaining the monopoly and its profits.

Such symbiotic relations are often an outcome of law enforcement tactics, where drug enforcement agencies infiltrate trafficking rings and set up 'front' stores to provide services to the drug industry.

The War on Drugs in many countries is literally running out of control. A severe crisis upset the Dutch police and juridical system when it turned out that the methods used by police agencies in their criminal investigations of drug traffickers had to a large extent devolved beyond juridical boundaries and parliamentary control. The Dutch parliamentary commission which investigated these methods in 1996 found, for example, that 285 tonnes of drugs had been imported by the Dutch police, of which 100 tonnes had disappeared onto the market (Zwaap, 1996).¹⁰

The opportunities for bribery and outright extortion, facilitated by the outlaw position of drug entrepreneurs, constitute an important incentive for the escalation of the drug war. In a more formalised way, asset seizure laws have had the same result (Benson, Rasmussen, Solars, 1995; Benson and Rasmussen, 1996). In fact, the idea of self-financing police forces is now also actively propagated by Pino Arlacchi, director of the United Nations Office for Drug Control and Crime Prevention (AFP, 31 March 1999).

ECONOMIC, SOCIAL & POLITICAL IMPLICATIONS

To a greater or lesser extent, the narcotics industry has become economically and socially entrenched in almost every country in the world. Drug-related interests have permeated many sectors of society—sectors which often function in the formal economy but derive part of their income from activities connected to the drug trade. Few sectors remain untouched by the drug industry, as drug proceeds are consumed and invested in other enterprises or as banks and transport companies, for example, provide services to the drug industry and so become part of the drug industry themselves.

The drug industry is to varying degrees also socially embedded in many countries. Certainly, drug consumption is culturally rooted in not only the most marginalised sectors of the population. Furthermore, drug entrepreneurs increasingly establish themselves as a social force that seeks integration in the formal institutions of the societies in which they live and operate. Thereby, they often gain if not the respectability, then at least some leverage to protect

their interests. The income and employment the industry generates, for a multiplicity of players and societies at large, also do not fail to provide political clout to drug-related interests, especially when threatened by foreign or domestic repression efforts. However, prohibition severely hampers the formal incorporation of the drug industry through taxation, interest mediation and forms of market, labour and product regulation.

It is my contention that from the consequential partial, informal or denied integration derive many of the most harmful consequences of the industry's operations, much more so since police and military institutions are ill-equipped to perform these regulatory roles.¹¹

As both the drug industry and drug law enforcement are internationalising, they put severe strains on the possibilities of the state to incorporate the drug industry in local and domestic arrangements which could limit their destabilising effects on society. However, such a strategy, if applied—and many countries cannot escape such a choice, either by informal arrangements or through 'corruption'—becomes less feasible where the power of organised crime and pressures for intensified law enforcement upset such symbiotic relations.

The drug industry and drug repression, certainly where they cross the borders of other states, can therefore have very disruptive effects on domestic political-economic institutions and arrangements. This can come about merely as an unintended consequence of conscientious cross-border supply reduction efforts. However, in many instances, drug policies are merely part of other foreign policy goals and are to a large extent shaped by the institutional logic of agencies called in to implement them.

Recent history has shown that, rightly, much more calculation tends to play a role in supply-side policies than in zealous supply reduction. Such policies also take into account the interests involved in drug trafficking, and the capabilities of governments to offset the

pressure put on these interests by efforts to stifle the drug economy (for example, crop substitution projects carried out by the United Nations with the aim of providing drug farmers with an alternative source of income, or the provision of arms to the Colombian military). However, as soon as drug policies become part of broader policy goals towards other countries, they are likely to be subordinated to other priorities that states pursue to protect their national interests.

Just as war is the continuation of politics by other means, so the War on Drugs has become an extension of foreign policy by other means (Marshall, 1991:ii). International drug policies almost inescapably become enmeshed with geopolitical and economic considerations (LaBrousse and Koutouzis, 1996). So, enhancing the powers of specific law-enforcers—such as, in an extreme case, the military in Peru or Colombia—is also likely to serve interests quite different from convincing coca growers to limit their output. In the most brutal form, international drug law enforcement can legitimise outright military intervention, as the Panamanians experienced in the late 1980s.

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In the foregoing paragraphs I have built an analytical framework for studying the underlying dynamics, outcomes and consequences of the War on Drugs. Thereby, I've tried to show how the growth of global networks of crime and the internationalisation of law enforcement are shaped by some fundamental changes in the global political and economic system. I've also focused on how the War on Drugs is likely to be subverted by interests of both drug entrepreneurs and the powers that are called in to control the drug industry. Through their symbiotic and systemic interactions, they are the most likely beneficiaries of this war.

As their interactions take place in a competitive world with unevenly distributed resources, the outcomes of their interactions are also likely to impinge unevenly on different societies and groups within them. The criminal system permeates the political and economic system, undermining the functioning of legal industries and the role and functioning of the state. The extension of states' coercive powers to 'control' the drug industry also impinges heavily on the distribution of power, wealth and security within and between societies, often through practices that escape democratic control.

The destructive force of the intertwined dynamics of the drug industry and state repression is thereby likely to demolish the existing relations between states, markets and societies. Therewith, the underlying dynamics and outcomes of the drug war are not only shaped by but are also reshaping the fundamental structures of the world's political economy.

THE INTERNATIONAL DRUG COMPLEX

In this section I argue that interests in the drug industry and in drug law enforcement collide in both domestic and international domains to form the International Drug Complex.

In analogy with the theory of the Military Industrial Complex—developed since the 1960s to explain the longevity of the Cold War, the arms race, the persistence of anti-communist ideology and political interventions in people's lives and societies—I have tried in this paper to assemble and understand the mechanisms

and dynamics that might explain the flourishing of both drug economies and new regulatory frameworks for 'state' control.

Therewith, I hope to elaborate a theory of the International Drug Complex. This theory tries to explain both the prolongation of the War on Drugs and the flourishing of the drug economy, by focusing on political and economic interests that shape relations between drug markets and state interventions in these markets.

The basic hypotheses I try to further are that the dynamics within and between the social forces at both sides of the law do not tend to keep each other in check, but, rather, reinforce each other, either by acting in concert or through more systemic interactions.

Through this, a 'community of interest'—a coalition of groups with vested psychological, moral and material interests—develops between drug entrepreneurs and coercive state agencies or the power elites that control them. This mutual support takes many shapes and has many levels, changing over time and location. However, the consequence of this collusion is that the interests of both groups are advanced to the detriment of third parties and areas of the societies in which they flourish. The drug industry and drug law enforcement, in this approach, are not necessarily opposite to

each other but develop a more or less intertwined and interdependent dynamic—a sort of countervailing but also mutually reinforcing 'coalition' that serves the interests of both, independent of democratic control by citizens and sometimes even governments.

Globalisation, neoliberal reforms and the end of the Cold War have strongly affected the regulation of relations among states and the relation between states and societies. The Cold War system imposed relative stability in the international state system, as well as order and discipline within both camps and a more general foundation for stability in the world economy. The Cold War did not lead to a major conflict between the superpowers, and it diminished the possibilities for war between states; but it also charged a heavy toll on peoples squeezed between the antagonistic claims to maintain political and ideological unity within the superpowers' self-proclaimed spheres of influence.

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With globalisation and the end of the Cold War system, states' legitimation and capacities to maintain internal order and protection against external threats have quickly diminished. Neoliberal reforms and regional integration have only accelerated the incapacity of individual states to manage the interface between their society and the rest of the world and to intervene in the distribution of opportunities within society.

In the protection of the state, internal and external security are closely related. For half a century, military-industrial elites have nearly always prevailed over domestic rivals without much difficulty. Fear of the foreign foe has persuaded political managers and the population at large to acquiesce in new efforts to match and overtake the other side's armaments. The escalating arms race, in turn, has helped to maintain conformity and obedience at home, since an evident outside threat is, as always, the most powerful social cement to humankind (McNeil, 1982:382).

The vast, armed establishments that protected the NATO and Warsaw Pact powers against one another, their ideological strife and the legitimation for domestic control and foreign interventions are nowadays being supplanted by an extension of the strong arm of the law in private, domestic and foreign domains.

Today, a qualitative and quantitative shift has been brought about in the constitution and dedication of the coercive apparatuses of states. In public discourse, in government budgets and in the daily lives of many of us, we are witnessing important transformations—transformations in the dominance of acclaimed threats (from communism to drugs, crime and foreigners), in the priority given to financing for the preservation of internal order instead of external security arrangements (from the military to policing institutions), and in states' demands on citizens to acquiesce to restrictions on spending power, consumer freedom, personal privacy, sovereignty and liberty in order to comply with international demands to 'harmonise' efforts in countering the scourge of drug trafficking and other forms of criminalised activities.

The discourse and state activities supporting these

transformations are to a large extent based on new foes—basically, the drug industry and its alleged connections with organised crime, terrorism and migration. The 'red scare' is now substituted by the fear of drugs and organised crime. The fight against this 'white scare', however, poses for societies and states many of the same opportunities, dilemmas and systemic contradictions as they were facing during the Cold War.

Different from the Cold War era, which was dominated by external security concerns, coercive powers are nowadays basically set up for safeguarding internal security. However, such divisions are progressively blurred by the internationalisation of non-military threats to internal security. As a result, the traditional

divisions of labour between the police, military, secret service and other coercive state powers tend to lose their significance. Such developments can be seen in the militarisation of the War on Drugs, in the policing of external frontiers and in cooperative or interventionist activities of law enforcement agencies across borders.

So, in many respects, the War on Drugs is taking over the functions of the Cold War in legitimising the coercive use of state powers to foster internal order and discipline, but also

in setting up control mechanisms to defend the state and society against external threats at home and abroad. However, the internationalisation of police cooperation and the concomitant proliferation of tools to intervene in the sovereignty of individuals, peoples and foreign countries are highly liable to decrease the prospect of a world order in which peace, justice and freedom can develop. This is mainly due to the uneven distribution of the powers unleashed by the International Drug Complex.

On the one hand, the globalising forces of crime, monetary volatility and migration, for instance, decrease the possibilities of protecting the state and the social arrangements that support it. The increasing overlap this brings about between internal and external security concerns is likely to lead to the formal goals of the drug war being overruled by geopolitical and economic

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concerns. The coercive powers of states, which are called in to maintain internal order and external security, tend to a large extent to escape democratic control, as their 'operational information' activity needs to be shielded from the outside world. Diminishing accountability goes hand in hand with the increased powers assigned to coercive state agencies.

However, more than this threat of free-floating state power, it is the subversive impact of international criminal organisations that undermines the very basis of the states and the societies they preside over. If indeed law enforcement directed against the drug industry is also counterproductive—and thus serves quite different political goals—this leaves us with a less than gloomy perspective for the future development and democratisation of our societies.

TRANSNATIONAL DIMENSIONS

Since the end of the Cold War, the so-called New World Order—established under conditions of increased globalisation and underwritten by neoliberal reforms—is largely shaped by two forces: the visible hand of criminal forms of market control, and the extension of the strong arm of the law in the national and international domain.

These two forces of repression and subversion increasingly show the tendency to squeeze the populations of entire societies into a spiralling anarchy, endangering the constitutional state and the living conditions of its citizens.

Both sides of the law, although formally opposed to each other, in fact enhance each other's growth and therewith their impact on the rest of society. In their mutual (systemic) interactions, they permeate societies with a logic reminiscent of the way in which, during the Cold War, the two antagonistic superpowers and their military-industrial complexes on the one hand fostered the control over their spheres of influence, and on the other hand incapacitated their populations to counter the pressures of vested interests in a spiralling arms race that enhanced the income, prestige and power of military establishments and the profits of

weapons industries that fed the threat of war.

The two worlds of criminal entrepreneurs and coercive agencies of states are not separated by geographical boundaries, however; nor are they separated from the societies in which they function. As both increasingly attain transnational dimensions, they become more disposed to prevent themselves from being incorporated into society and, hence, from being subordinate to democratic control. At the same time, they increase their powers to penetrate the sovereignty of individuals and entire societies over the globe.

Endnotes

8. The substances covered by this regime are expanding with technological developments in pharmacology, while new 'designer' drugs are rapidly proliferating and being incorporated in the prohibition regime. The principal targets for control are opiates, followed by coca and cannabis derivatives. Other substances with prohibited marking are denominated by their active substances.

9. For an overview and analysis of the development of this global prohibition regime, see for instance Stein (1985), Gerritsen (1993) and Silvis (1993).

10. In June 1999, a new Dutch parliamentary commission (Kalsbeek-commission) concluded that double-informants, with the help of drug officers, had managed to import and market an additional 15,000 kilograms of cocaine (NRC, 10 June 1999).

11. As in many other black-market sectors such as illegal gambling and prostitution, exchanges in the drug industry are of a consensual nature. The criminalisation of personal vice, as opposed to some of the consequential social harm it inflicts on society, thus leads to what some authors call 'victimless crime'. Both this consensual nature and the fact that prohibition pushes all exchanges underground, have far-reaching implications for the tactics of law enforcement agencies in the process of evidence-gathering, as participants are unlikely to issue complaints or invoke arbitrage from formal institutions, even when disputes arise. Moreover, many of the negative consequences associated with illegal drugs derive from the prohibition rather than the consumption of the prohibited goods (Miron and Zwiebel, 1995).

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